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HOUSE BILL 171

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Richard D. Vigil

AN ACT

RELATING TO EDUCATIONAL RETIREMENT; CHANGING THE TIME PERIOD  
ALLOWED FOR THE PURCHASE OF SERVICE CREDIT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-11-34 NMSA 1978 (being Laws 1967,  
Chapter 16, Section 157, as amended) is amended to read:

"22-11-34. ALLOWED SERVICE CREDIT. --

A. A member shall be certified to have acquired  
allowed service credit pursuant to the Internal Revenue Code of  
1986 for those periods of time when he was:

(1) employed prior to July 1, 1967 in a  
federal educational program within New Mexico, including United  
States Indian schools and civilian conservation corps camps.

This service credit shall be allowed without contribution;

(2) engaged in military service that

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1 interrupted his employment in New Mexico if he returned to his  
2 employment within eighteen months following honorable  
3 discharge. This service credit shall be allowed without  
4 contribution;

5 (3) engaged in United States military service  
6 or the commissioned corps of the public health service from  
7 which he was honorably discharged if he contributes to the fund  
8 a sum equal to ten and one-half percent of his average annual  
9 salary for that period of time for which he has acquired earned  
10 service credit pursuant to the Educational Retirement Act and  
11 subject to the federal Uniformed Services Employment and  
12 Reemployment Rights Act of 1994 for each year of service credit  
13 he desires to purchase. Average annual salary shall be  
14 determined in accordance with rules promulgated by the board  
15 but shall always be based on actual salaries earned by the  
16 member where the actual salaries can be ascertained by the  
17 board. The employer's contributions for service credit shall  
18 not be paid by the employer. The purchase of service credit  
19 provided in this section shall be carried out by the member by  
20 December 31, 2004 or within three years after the date of the  
21 member's employment following service; or

22 (4) employed:

23 (a) in a public school or public  
24 institution of higher learning in another state, territory or  
25 possession of the United States;

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1 (b) in a United States military  
2 dependents' school operated by a branch of the armed forces of  
3 the United States;

4 (c) as provided in Paragraph (1) of this  
5 subsection after July 1, 1967; or

6 (d) in a private school or institution  
7 of higher learning in New Mexico whose education program is  
8 accredited or approved by the ~~[state board]~~ public education  
9 department at the time of employment.

10 B. Effective July 1, 2001, the member or employer  
11 under Paragraph (4) of Subsection A of this section shall  
12 contribute to the fund for each year of allowed service credit  
13 desired an amount equal to the actuarial value of the service  
14 purchased as defined by the board. Payment pursuant to  
15 Paragraph (4) of Subsection A of this section may be made in  
16 installments, at the discretion of the board, over a period not  
17 to exceed one year and, if the sum paid does not equal the  
18 amount required for any full year of allowed service credit,  
19 the member shall acquire allowed service credit for that period  
20 of time that is proportionate to the payment made. Half credit  
21 may be allowed without contribution for not more than ten years  
22 of the educational service described by Subparagraph (a) of  
23 Paragraph (4) of Subsection A of this section if that service  
24 was prior to June 13, 1953 and if the member was employed in  
25 New Mexico prior to June 13, 1953 in a position covered by the

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1 Educational Retirement Act or a law repealed by that act. No  
2 allowed service credit shall be purchased pursuant to Paragraph  
3 (4) of Subsection A of this section unless the member is  
4 currently employed by a local administrative unit.

5 C. No member shall be certified to have acquired  
6 allowed service credit:

7 (1) under any single paragraph or the  
8 combination of only Paragraphs (1) and (4) or only Paragraphs  
9 (2) and (3) of Subsection A of this section in excess of five  
10 years; or

11 (2) in excess of ten years for any other  
12 combination of Paragraphs (1) through (4) of Subsection A of  
13 this section.

14 D. The provisions of this section are made  
15 applicable to the services described prior to as well as after  
16 the effective date of the Educational Retirement Act."

17 Section 2. EFFECTIVE DATE. --The effective date of the  
18 provisions of this act is July 1, 2004.